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OPEN MEETING AGENDA ITEM



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May 1, 2006

E-0745A-06-0009

Dear Commissioner Spitzer,

I would like to openly affirm my support in allowing Arizona Public Service (APS) to increase its utility rates. As an economic development professional with more than seventeen years of experience, I intimately understand the role of large utility providers to communities and business and appreciate the benefits they offer to society. The proposed increase in interest rates enables APS to make certain that the energy needs for future generations are met.

Understandably, the public desires affordable utility rates; however, the explosive growth and statewide population projections demand an increased investment in public-use infrastructure. In order to proactively address this and make proper investments, the Commission must support rate relief for APS, or Arizona will lose its ability to provide the needed infrastructure for sustainable growth.

APS deserves the fair and equitable treatment for natural gas pricing that other utility companies enjoy—a shared rate increase in exchange for reliable service. Current natural gas pricing for APS customers is based on 2003 rates, and prices have since soared. Without permission to increase rates, APS will experience a significant capital loss. The company's financial rating is already near junk bond status.

APS continues to be a model corporate citizen, economic driver and major Arizona employer with nearly 6,000 employees. I encourage you to provide APS the relief and flexibility needed to ensure Arizona's economy remains strong and viable.

Thank you for your consideration, and please contact me if I can answer any questions.

Sincerely,

Barry G. Broome
President and CEO

cc: Bill Post, APS

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